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FOREIGN CROPS AND MARKETS

ISSUED WEEKLY BY
UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON, D. C.



Vol. 40

June 8, 1940

No. 23

LATE CABLES

Seeding in Canadian Prairies was expected on June 4 to be completed by end of week. Prospects very favorable southern Manitoba, southwestern Saskatchewan, and most of Alberta; rains urgently needed in northern parts of Manitoba and Saskatchewan. (Dominion Bureau of Statistics, Ottawa.)

Egyptian cotton production, third official estimate places 1939-40 crop at 1,801,000 bales of 478 pounds, compared with a second estimate of 1,815,000 bales and a final estimate for the 1938-39 crop of 1,728,000 bales. All production estimates include linters. (International Institute of Agriculture, Rome.)

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NOTICE

The index to Foreign Crops and Markets, Vol. 39, July-December 1939, is now available and will be sent to those requesting it.

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WHEAT PRODUCTION REDUCED IN MEXICO

The 1940 wheat crop of Mexico is forecast at 12,860,000 bushels, compared with 14,771,000 bushels produced in 1939, and the average crop during 1934-1938 of 11,550,000 bushels, according to Agricultural Attaché L. D. Mallory at Mexico City. A large acreage is reported to have been sown for the current crop, and abandonment was not large, but severe attacks of stem rust damaged the plants in certain areas. About 30 percent of the crop in the State of Sonora and over 90 percent in Mexicala was reported lost from this cause.

Better wheat varieties have been sown this season, it is said, and an improvement in quality is therefore expected. Usually about 60 percent of the seedings are of the so-called "current" grain, a low-grade mixed wheat, and 40 percent of named varieties. Although the latter are not highly selected, they are better, and a larger proportion was sown this year than last.

Estimates of the stocks to be carried over into the new marketing year vary, but they may approximate as much as 1.5 million bushels. Annual domestic requirements are not reported, but it is expected that there will be a deficit of 500,000 bushels or more. Imports, however, are expected to be quite limited, since prices in the United States, the chief source of wheat imports into Mexico, are higher this year, and the exchange value of the peso has declined. A shift in consumption to some other product, such as corn, appears more likely, according to the report.

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IMPROVED CROP CONDITIONS IN CANADIAN PRAIRIE PROVINCES

Conditions in late May were quite favorable for the early spring grain crops over a large part of the Canadian Prairie Provinces, according to a telegram from the Dominion Bureau of Statistics at Ottawa. Central and southern Manitoba, central and southwestern Saskatchewan, and most of Alberta were the most favored sections. Spring seedings in Alberta were delayed by heavy rains earlier in the season, but the warm weather of May and favorable moisture conditions resulted in a rapid development of the crops. The moisture supply in northern Manitoba and Saskatchewan, as well as in a small part of northern Alberta, was reported still inadequate, and generous rains will be needed during the summer if outturns are to be satisfactory. A trade report places the moisture situation on May 13 at 74 percent of normal as against 79 percent on the corresponding date of 1939, when Canada's record wheat crop was harvested.

Press reports indicated that more than 60 percent of the 27 million acres intended for wheat this season in the Prairie Provinces had been seeded by May 17, and the official report of the Dominion stated that about three-fourths of the acreage to be seeded to feed grains would probably be completed by June 1.

Some slight damage from soil drifting was reported in dry districts, but little injury from insects was noted. Grasshoppers were hatching in southern Saskatchewan and parts of southern Alberta, but control measures had been undertaken where necessary. Nearly all the wheat being sown in Manitoba and Saskatchewan and about 35 percent in Alberta is said to be of rust-resistant varieties.

CROP SITUATION IN THE SOVIET UNION

Sowings in the Soviet Union, which were greatly retarded early in the spring, were only slightly behind last year's figure by May 15. In Siberia, however, sowings were considerably behind the plan. Complaints of poor work of the tractors during the sowing campaign, due to unsatisfactory repair and overhauling and various other factors, have been voiced in the Soviet press.

More detailed information on drought conditions experienced in 1939 in the important southeastern regions of the European part of the Union and the adjoining Asiatic regions of Kazakhstan has become available from Soviet sources. This area also suffered from the drought in 1938, but conditions were even more unfavorable in 1939. In the former year the drought developed only during the second part of May; while in 1939, following a preceding dry season, the spring soil moisture supply was insignificant from the beginning. The drought was especially severe in Kazakhstan (West Kazakhstan and Aktiubinsk provinces) which received only 42-46 percent of their generally low normal precipitation (7-10 inches).

Winter cereals, the expansion of which was called for by the Government drought-prevention program announced in the autumn of 1938 (see Foreign Agriculture, May 1939, p. 184), suffered severely, having been much weakened by the dry autumn and snowless winter preceding the spring and summer drought. In many cases the plants had not developed during the dry autumn, especially where they were seeded in poorly cultivated fallows. As far as the spring crops, which greatly predominate in the southeastern regions, were concerned, it is claimed that improvement in agricultural technique made it possible in spite of the drought to harvest a larger outturn in 1939 than during the 1938 dry season.

GOVERNMENT AID TO INCREASE COTTON PRODUCTION IN BULGARIA

An increase of 25 percent in prices paid to Bulgarian cotton producers by the Grain Monopoly was authorized by the Bulgarian Council of Ministers on April 25, 1940, according to a report from American Vice Consul Walworth Barbour at Sofia. This measure was designed to encourage an increase of 50 percent in Bulgaria's domestic cotton production at a

time when import supplies are difficult to obtain. Under normal conditions, approximately 45,000 bales of raw cotton are imported annually, largely through German merchants. Bulgarian production has increased steadily from about 4,000 bales of 478 pounds in 1931-32 to 32,000 bales in 1938-39 and an estimated 74,000 bales in 1939-40.

SOUTHERN BRAZIL COTTON CROP PROSPECTS CONTINUE FAVORABLE

The 1939-40 cotton crop now being picked in Southern Brazil is expected to compare favorably, both in quantity and quality, with last year's crop, according to reports from American Vice Consul Frederick J. Cunningham at Sao Paulo and Erwin P. Keeler, agricultural attaché at Rio de Janeiro. The crop is late this year because of a drought at planting time, but picking is progressing normally under favorable weather conditions. The top crop will be curtailed to some extent as a result of a less-than-normal rainfall during March and early April, but this factor will be partly offset by an improvement in the quality of the fiber now being picked. Production in Sao Paulo is expected to slightly exceed last year's crop of 1,260,000 bales unless unfavorable weather develops before the harvest is completed.

The outlook for cotton exports is not entirely clear with regard to European markets, but exporters are optimistic on the whole. The loss of export markets by the spread of the war to the Scandinavian countries, Belgium, and Holland is expected to be largely offset by increased sales to the United Kingdom and France as a result of their new wartime trade policies. Reports persist that the Japanese have already contracted for about 415,000 bales of the new-crop Sao Paulo cotton and that total purchases will eventually reach 553,000 bales compared with 287,000 bales shipped to Japan from the port of Santos during the 1938-39 season (March-February). These estimates for sales of the current crop appear, however, to be considerably higher than the market situation in Japan would warrant in view of recent reports from Osaka. (See Foreign Crops and Markets, June 1, 1940.) The uncertain position of Italy in regard to the European war has tended to limit forward sales to Italian buyers.

Lack of shipping space does not appear to be a matter of great concern to Sao Paulo merchants in view of the fact that the crop is expected to move more slowly than usual this year. At the time of this report (April 22, 1940) there had been no changes in freight rates or war-risk insurance on shipments to the United Kingdom as a result of the spreading of hostilities to the Scandinavian countries. The price of raw cotton (type 5) has dropped from the December 1939 average of about 11.04 cents per pound (calculated at free market rate of 1 milreis equals 5 cents) to 8.18 cents on April 12, 1940. This price; however, is still above the April 1939 average of 6.80 cents.

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INTERNATIONAL TRADE IN COTTON, AUGUST-MARCH, 1939-40

Indications are that world cotton trade during March was below that for March last year, although the total for the season thus far (August 1939-March 1940) continued to be 32 percent above last year and only 7 percent below the average for the corresponding months of each of the 10 seasons, 1923-24 to 1932-33. United States exports were still high compared with last season, but were no longer so (for the month of March) compared with earlier periods. Constructing the world cotton-trade picture has been made difficult by the lack of data on the destinations of exports from British India in February and by the absence of any March data whatever for India as a whole. Since the large European importers have ceased publication of the sources of their purchases, Japanese and Chinese data on imports from India have been used as a basis for estimating British Indian exports during March (see table on page 748).

The United States has exported 5.6 million bales of cotton thus far this season, almost double the total of a year earlier. The figure is still well below the 10-year average, however. Moreover, the percentage above last year's level has been declining since January. March exports were low, not only to Germany and Poland, but also to Japan, while those to the United Kingdom and France were up by a smaller proportion than during earlier months.

From August to March 1939-40, Egypt's exports of cotton were 6 percent above last season's level and 17 percent higher than the 10-year average, 1923-24 to 1932-33. The United Kingdom and France, the leading markets for Egyptian cotton, increased their purchases over both last season and the 10-year average period. Exports to the United States were above last season's level, though far below average. Shipments to Japan, Spain, and British India were well above last season.

During the August-March current season, Brazil exported 531,000 bales of cotton compared with 771,000 bales last season, a decline of 31 percent. This decline was due principally to decreased shipments to Japan, China, and Germany, although current reports indicate that Japan's takings may be greatly increased during the balance of the season. Exports to the United Kingdom, Portugal, and the Netherlands, however, were above last season's level.

During the 8 months beginning August 1, 1939, Peru exported 242,000 bales of cotton compared with 234,000 bales last season and an average of 128,000 bales annually in the 10 years 1923-24 to 1932-33. The United Kingdom, taking 61 percent of the total exports, still leads as a market for Peruvian cotton. Exports to Japan have doubled those of last season, while Germany's purchases have decreased from 49,000 bales last season to 7,000 bales so far this season. All other leading countries, except Belgium, have increased their purchases.

Exports from Argentina during the August-March current season, have dropped 6 percent from last season's high. Of the total exports, the United Kingdom took 27 percent compared with 2 percent last season. Shipments to Italy, Spain, Belgium, and China show substantial increase.

From August to February 1939-40, the Sudan exported 48 percent less cotton than a year earlier. Decreased shipments to the United Kingdom, Japan, and Italy were only partially offset by increased exports to British India, France, and Switzerland. Between August and February of the current season, British India took 47 percent of the total exports compared with 21 percent in the same period a year ago.

COTTON: Summary of world exports, August-March,
average 1923-24 to 1932-33, and seasons,
1936-37 to 1939-40

Exporting countries	August-March				
	Quantity				
	Average 1923-24 to 1932-33	1936-37	1937-38	1938-39	1939-40
	1,000 <u>bales</u>	1,000 <u>bales</u>	1,000 <u>bales</u>	1,000 <u>bales</u>	1,000 <u>bales</u>
United States.....	6,601	4,596	4,980	2,944	5,644
British India.....	1,816	2,328	1,007	1,547	a/ 1,313
Egypt.....	1,087	1,440	1,306	1,195	1,270
Brazil.....	75	609	608	771	531
Peru.....	128	198	200	234	242
Argentina.....	41	124	15	73	69
Sudan.....	48	133	142	154	a/ 81
Total.....	9,796	9,428	8,258	6,918	9,150
Percentage of total					
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
United States.....	67	49	60	43	62
British India.....	19	25	12	23	14
Egypt.....	11	15	16	17	14
Brazil.....	1	7	7	11	6
Peru.....	1	2	3	3	2
Argentina.....	b/	1	b/	1	1
Sudan.....	1	1	2	2	1
Total.....	100	100	100	100	100

Compiled from official sources.

a/ Partially estimated. b/ Less than 0.5 percent.

COTTON: Exports from principal exporting countries, August-March, average 1923-24 to 1932-33, and seasons, 1937-38 to 1939-40 a/

Destination of exports from principal exporting countries	August-March							
	Quantity				Percentage of total			
	Average				Average			
	1923-24 to 1932-33	1937-38	1938-39	1939-40	1923-24 to 1932-33	1937-38	1938-39	1939-40
Exports from the								
United States to	bales	bales	bales	bales	Percent	Percent	Percent	Percent
Germany*.....	1,538	632	275	20	23	13	9	b/
United Kingdom.	1,504	1,485	368	1,723	23	30	13	31
France	747	726	342	708	11	15	12	13
Italy	545	437	242	471	8	9	8	8
Spain	240	0	17	258	4	0	1	5
Belgium	156	172	81	203	2	3	3	4
Netherlands ...	116	107	61	169	2	2	2	3
Soviet Union ..	c/ 88	d/	0	0	1	b/	0	0
Sweden	49	78	83	204	1	2	3	4
Portugal	34	31	10	34	1	1	b/	1
Poland & Danzig	15	184	149	5	b/	4	5	b/
Other Europe ..	49	210	276	191	1	3	9	2
Total Europe	5,081	4,062	1,904	3,986	77	82	65	71
Canada	155	195	158	307	2	4	5	5
Japan	1,065	459	748	773	16	9	25	14
China	224	11	61	392	3	b/	2	7
British India..	63	147	3	87	1	3	b/	2
Other countries	13	106	70	99	1	2	3	1
Total	6,601	4,980	2,944	5,644	100	100	100	100
Egypt								
United Kingdom	432	434	379	459	40	33	32	36
France	140	180	128	235	13	14	11	18
United States .	127	29	25	41	12	2	2	3
Germany	e/ 77	157	145	12	7	12	12	1
Italy	72	86	84	79	7	7	7	6
Japan	50	55	107	124	5	4	9	10
Switzerland ...	48	62	55	56	4	5	5	4
Spain	35	1	7	9	3	b/	1	1
Czechoslovakia.	22	42	39	1	2	3	3	b/
British India..	17	101	60	95	2	8	5	7
Belgium-Luxem..	13	13	13	f/ 11	1	1	1	1
Poland & Danzig	9	29	30	3	1	2	3	b/
Other countries	45	117	123	145	3	9	9	13
Total	1,087	1,306	1,195	1,270	100	100	100	100

* Includes shipments through the free port of Bremen, much of which is afterward shipped to other countries.

COTTON: Exports from principal exporting countries, August - March
average 1923-24 to 1932-33, and seasons 1937-38 to 1939-40

Continued -

	August - March							
	Quantity				Percentage of total			
	Average 1923-24 to 1932-33	1937-38	1938-39	1939-40	Average 1922-24 to 1932-33	1937-38	1938-39	1939-40
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Percent	Percent	Percent	Percent
Exports from								
Brazil to								
United Kingdom	--	139	150	178	--	23	19	34
Japan	--	59	198	83	--	10	26	16
Germany	--	304	151	70	--	50	20	13
France	--	33	84	55	--	5	11	10
China	--	4	74	f/ 39	--	1	10	7
Netherlands ...	--	8	20	27	--	1	3	5
Portugal	--	24	9	f/ 24	--	4	1	5
Belgium-Luxem..	--	15	18	18	--	3	2	3
Italy	--	4	39	17	--	1	5	3
United States .	--	d/	d/	f/ 2	--	b/	b/	b/
Spain	--	0	0	f/ 2	--	0	0	b/
Poland	--	10	14	f/ 1	--	2	2	b/
Other countries	--	8	14	15	--	b/	1	4
Total	g/ 75	608	771	531	100	100	100	100
Peru								
United Kingdom	--	109	133	148	--	54	57	61
Japan	--	5	10	24	--	2	4	10
Netherlands ...	--	5	16	18	--	3	7	8
Belgium-Luxem..	--	7	10	8	--	4	4	3
France	--	6	6	8	--	3	3	3
Italy	--	2	2	7	--	1	1	3
Germany	--	56	49	7	--	23	21	3
Chile	--	7	5	6	--	4	2	3
United States .	--	d/	0	4	--	b/	0	2
Other countries	--	3	3	12	--	1	1	4
Total	g/ 128	200	234	242	100	100	100	100
Argentina								
United Kingdom	h/ 20	0	2	18	49	0	2	27
Germany	h/ 6	12	53	15	15	84	73	22
Spain	h/ 4	0	0	5	10	0	0	7
Belgium-Luxem .	h/ 4	d/	0	4	9	b/	0	6
Italy	h/ 2	d/	0	13	5	b/	0	18
China	h/ i/	i/	i/	5	--	--	--	7
Other countries	h/ 4	3	18	9	12	16	25	13
Total	h/ 40	15	73	69	100	100	100	100

Continued -

COTTON: Exports from principal exporting countries, August-February, average 1923-24 to 1932-33, and seasons 1936-37 to 1939-40

- Continued

Destination of exports from principal exporting countries	August-February							
	Quantity				Percentage of total			
	Average				Average			
	1923-24 to 1932-33	1937-38	1938-39	1939-40	1923-24 to 1932-33	1937-38	1938-39	1939-40
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Per-cent	Per-cent	Per-cent	Per-cent
Exports from Sudan to								
United Kingdom.	27	68	83	17	96	52	62	24
France.....	<u>d/</u>	3	5	11	1	2	4	15
Italy.....	<u>d/</u>	5	6	4	<u>b/</u>	4	4	6
Germany.....	0	4	1	0	0	3	<u>b/</u>	0
Switzerland....	0	1	2	4	0	<u>b/</u>	2	5
Poland.....	0	3	1	<u>d/</u>	0	2	1	<u>b/</u>
British India..	<u>d/</u>	43	28	<u>33</u>	<u>b/</u>	34	21	<u>47</u>
Japan.....	0	1	4	<u>d/</u>	0	1	3	<u>b/</u>
Other countries	1	1	5	<u>2</u>	3	2	3	<u>3</u>
Total.....	28	129	135	71	100	100	100	100

Compiled from official sources. a/ Bales of 478 pounds net, except for the United States and Peru, which are 500 pounds gross. b/ Less than 0.5 percent. c/ Excludes Russia in Asia. d/ Less than 500 bales. e/ Beginning January 1, 1938, includes Austria. f/ Seven months, August-February. g/ Data not available by countries. h/ Six-year average, 1924-25 to 1929-30. i/ If any, included in "Other countries."

PRODUCTION EXPERIMENTS AND CONSUMPTION OF LEAF TOBACCO IN EGYPT

For many years the Egyptian Government has been studying the possibility of growing tobacco in Egypt, but as the soil and climate have not been considered favorable, and the importation of tobacco into Egypt is a source of considerable revenue, the production of the crop has gone no further than the experimental stage. It is reported by the press, however, according to Commercial Attaché James T. Scott at Cairo, that eleven seed samples of the best varieties of American tobacco have been recently obtained by the Egyptian Ministry of Agriculture and that experiments with these seeds will be made in 1940.

Egypt has a relatively large cigarette-manufacturing industry that requires important quantities of imported leaf tobacco, although the trade has declined by more than 30 percent since the last World War. Total imports of leaf for consumption amounted to about 12.8 million pounds in 1939, compared with an average of about 19.0 million in 1909-1913. Before the last war, over

90 percent of the content of Egyptian cigarettes consisted of oriental tobacco from Turkey, Greece, and southwestern Russia. At that time Egyptian cigarettes were well known for their flavor and blend. Following the war, keen competition among the cigarette manufacturers resulted in the substitution of tobacco imported from Japan and China. These types were not only cheaper in most cases, but a greater number of cigarettes per unit of weight could be made from them. The decline in leaf consumption has been coincident with their introduction and use.

EGYPT: Imports of leaf tobacco by countries, average 1909-1913,
annual 1937-1939 a/

Country of origin	Average 1909-1913	1937	1938	1939
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Japan.....	-	3,448	3,277	3,129
China.....	157	1,512	1,413	1,332
Turkey.....	7,424	1,690	1,544	1,998
Greece.....	6,548	2,221	2,184	1,909
Soviet Union.....	2,375	76	118	273
Bulgaria.....	555	1,809	1,912	1,641
Iran (Persia).....	559	57	138	179
United States.....	4	686	1,255	1,578
Italy.....	6	697	208	81
Germany.....	-	107	88	3
Belgium.....	-	124	50	2
Other countries... <u>b/</u>	1,377	859	805	672
Total.....	19,005	13,286	12,922	12,797

Compiled from Annual Statement of the Foreign Trade of Egypt; Monthly Summary of the Foreign Trade, December 1939.

a/ Including tombac and Hassan-Keif.

b/ From Austria-Hungary, 1,156,000 pounds.

The United States has never been an important source of supply for Egyptian tobacco imports, although in recent years the use of American leaf has more than doubled. An average quantity of approximately 1.5 million pounds was imported from the United States in 1938-1939, about 80 percent flue-cured and the remainder fire-cured. American flue-cured is used in Egypt in the manufacture of English-type cigarettes, which seem to be gaining in favor there.

The consumption of tombac and Hassan-Keif has declined in recent years. These types are imported principally from Turkey and Iran (Persia) and are used in the manufacture of tobacco smoked in water-pipes.

The United Kingdom is predominant in the Egyptian import market for cigarettes and smoking tobacco, but American manufacturers have been successful in introducing their brands into Egypt and they enjoy a fair share of the market.

The importation of tobacco into Egypt continues to be a source of considerable revenue to the Government. It is estimated that customs receipts from tobacco imported in 1939 amounted to 7,500,000 Egyptian pounds (\$35,912,250 United States currency). This amount is equal to about 50 percent of the total customs revenue, and one-fifth of all the Egyptian state revenue.

RECORD APPLE-JUICE PRODUCTION IN CANADA

Production of apple juice in Canada during the 1939-40 season has been estimated at 1,800,000 American gallons, according to a report from American Vice Consul Katherine E. O'Connor at Ottawa. This represents an increase of more than 1 million gallons above the production during the previous season.

Commercial production of apple juice is a relatively new development in Canada. Considerable experimental work was necessary before the techniques for producing the juice and preserving its flavor were developed. A large part of this work was carried on at the Central Experimental Farm at Ottawa in cooperation with can-manufacturing companies. The export outlet for Canadian apples was curtailed as a result of the current European war, and the abnormal volume of apples left for the Canadian market during the 1939-40 season was an important factor in the expansion of production and consumption of canned apple juice.

Good apples are reported to yield about 150 American gallons of juice per short ton of fruit. The yield of juice varies not only with the quality of the fruit but with the time the juice is made. During September or October the juice yield is considerably higher than the yield for the same variety in January. On the basis of the estimated production of 1,800,000 American gallons of juice with a yield of 150 gallons to the short ton, around 12,000 short tons (500,000 bushels) of apples were used in making the juice from the 1939 crop.

Consumption of the canned juice has been stimulated by extensive advertising, and the product has become quite popular as a result of this publicity, together with its low price and its flavor. Prior to September 1939, the three most widely used "food" drinks in Canada were orange juice (both fresh and canned), tomato juice, and grapefruit juice. All the tomato juice sold in Canada is packed in Canada. Orange and grapefruit juice, however, is imported from this country. The

expansion in production of apple juice from Canadian apples increases the competition that imported citrus fruit and citrus-fruit juices from the United States must face in Canada.

MEXICAN VEGETABLES EXPORTS AT LOW LEVEL IN MAY

Exports of winter vegetables from Mexico during the first 2 weeks in May amounted to 393,000 pounds or about 45 percent of the movement during the same period in 1939, according to a report from American Vice Consul Thomas M. Powell at Nogales, Sonora. Despite the low levels of May exports, the total for the 1939-40 season amounted to 37,253,000 pounds, or 19 percent above shipments during the previous season.

MEXICO: Exports of winter vegetables to the United States, May 1-15, 1939 and 1940, and November 23-May 15, 1938-39 and 1939-40

Vegetable	May 1-15		November 23-May 15	
	1939	1940	1938-39	1939-40
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Tomatoes.....	707	200	25,529	29,163
Green peas.....	0	0	3,073	2,649
Green peppers.....	142	193	2,304	5,069
Green beans.....	0	0	5	1
Eggplant.....	15	0	367	371
Lima beans.....	8	0	15	a/
Cucumbers.....	0	0	4	0
Total.....	872	393	31,297	37,253

American Consulate, Nogales.

a/ Less than 500 pounds.

Tomato exports totaled 200,000 pounds, or only 28 percent of shipments during the first 2 weeks of May 1939. Mexican tomatoes cannot compete in price in United States markets with those from American producing areas. As a result, Mexican exports for the remainder of the current season will be largely determined by the Canadian demand for tomatoes, since Florida and California tomatoes are now dominating American markets. Future shipments are expected to be of good quality, as the export of low-quality tomatoes would, under present market conditions, result in a loss to the shipper.

Exports of green peppers were somewhat heavier than shipments during the first 2 weeks of May 1939. Shipments for the remainder of the season are expected to be limited, since Mexican pepper supplies have been almost exhausted.

UNITED STATES SOYBEAN EXPORTS DECLINE IN APRIL

Soybean exports during the month of April amounted to only 318 bushels, the smallest exports for any month since July 1937. Because of heavy exports during October-December, the volume shipped to foreign countries for the 1939-40 marketing year is, however, the largest on record. During the 7 months of this season, about 98 percent of our exports have been to European countries. Very small quantities of Manchurian beans have been exported to Europe this season, due to the excessive cost of transportation from the Orient. The outlook for shipping American beans to Europe in any large volume during the coming months does not appear to be favorable. The United Kingdom and possibly Sweden may be the only markets accessible and the former has imported only a small quantity this season.

UNITED STATES: Soybean exports for April 1939 and 1940,
and October-April 1938-39 and 1939-40

Country	April		October-April	
	1939	1940	1938-39	1939-40
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
Denmark.....	-	-	37,333	2,038,129
Finland.....	-	-	-	53,000
France.....	-	183	20,007	183
Germany.....	-	-	77,882	-
Netherlands.....	41,008	-	336,322	7,353,986
United Kingdom.....	-	-	-	31,841
Canada.....	7	44	a/ 2261,503	278,865
Mexico.....	5	27	23,011	37
Norway.....	-	-	-	209,795
Sweden.....	-	-	-	979,202
Others.....	29	64	23,745	2,335
Total.....	41,049	318	2,784,803	10,947,373

Compiled from records of the Bureau of Foreign and Domestic Commerce.

a/ A large percentage of this quantity was reexported to European countries.

Soybean-oil exports have increased sharply this season and for the marketing year will be the largest on record. Until 1938 the United States had generally been a net importer of soybean oil. Cuba is the most important market for American soybean-oil exports, and several other Latin American countries take small quantities. European countries during the 7 months of this season have been the destination of approximately half of our oil exports.

UNITED STATES: Soybean-oil exports, October-April 1938-39
and 1939-40

Country of destination	1938-39	1939-40
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Cuba.....	3,075	2,880
Switzerland.....	-	2,357
Finland.....	-	2,249
Sweden.....	-	1,076
Canada.....	10	1,106
Netherlands West Indies.....	330	514
Costa Rica.....	76	334
Iceland.....	-	262
Norway.....	2	211
Panama.....	13	222
Union of South Africa.....	155	126
Others.....	428	1,250
Total.....	4,089	12,587

Compiled from records of the Bureau of Foreign and Domestic Commerce.

LOANS FOR ARGENTINE HOG PRODUCERS

Special loans are to be granted to hog breeders in Argentina by the Bank of the Nation to encourage the hog-breeding industry, according to a recent Argentine publication. The Board of Directors of the Bank has decided to grant credits on the stock of pigs, sows, and boars on hand, on a single signature or with a lien on the stock, according to the moral and material standing of the applicant, for an amount not to exceed 10,000 pesos (\$3,000). The rate of interest will be 6 percent per annum and the time limit 90 days, renewable for another similar period for loans on pigs and 180 days with the same period of renewal for loans on breeding sows and boars.

Hog raising is not extensive in Argentina and the number of hogs is very small compared with that of cattle and sheep. Pork production, excluding that consumed on farms, is estimated at between 200 and 250 million pounds whereas consumption per capita is about 13 pounds compared with over 200 pounds of beef and veal and about 10 pounds of lamb and mutton.

Hog numbers in Argentina were relatively large at the time of the census in June 1937, when they numbered 3,966,000 head compared with 3,769,000 head enumerated at the time of the 1930 census. In 1937 approximately 43 percent of the total was in the Province of Buenos Aires. Hog slaughter in freezing companies and other slaughter houses numbered only

1,245,000 in 1938 compared with the record of 1,605,000 killed in 1937. The average for the years 1934-1938 was 1,399,000 head compared with only 1,003,000 for the 5 years 1929-1933.

Exports of pork are chiefly in the form of frozen pork, and the bulk goes to the United Kingdom. In 1939 exports totaled only 14 million pounds compared with 18 million pounds in 1938. The present abundance of corn and a probability of increased demand in the future if the war continues have apparently resulted in greater interest in hog production.

DAIRY PRODUCTION IN DENMARK INCREASES IN EARLY 1940

Butter production in Denmark in the first 3 months of 1940 amounted to 119 million pounds, an increase of 3 percent above the same period a year earlier, according to reports of weekly production supplied by the United States consulate at Copenhagen. An estimate made on the same basis indicates that production in 1939 was the smallest for some years and showed a decrease of 15 percent as compared with 1938. The average annual production of butter for the 5 years 1934-1938 was 401 million pounds.

The number of dairy cows in Denmark as of July 15, 1939, was 1,604,000, or about the same as in 1938. Since the low level reached in 1937, dairy cows have increased 2 percent but are about 6 percent under the average for the years 1931-1935. Approximately 50 percent of the total number of cattle in Denmark are dairy cows. Denmark's dairy industry has been maintained by heavy imports of feedstuffs, which are likely to be greatly curtailed.

Denmark is the most important butter-exporting country in the world, being closely followed by New Zealand and Australia. Before the invasion of Denmark by Germany the bulk of the butter exported went to England, Germany being the next most important purchaser. Most of the remainder went to other Western-European countries. During the 5-year period 1934-1938, when butter exports averaged 329 million pounds, 78 percent went to the United Kingdom and 20 percent to Germany. In 1939, when butter exports totaled 330 million pounds, the share going to the United Kingdom was reduced to 69 percent of the total, and the portion going to Germany increased to 29 percent. About the same distribution was noticed in the first quarter of 1940. The United Kingdom, in accordance with its Empire-preference policy, increased importations of butter from Empire sources, especially from 1933 to 1937, and decreased importations from Denmark. The United States has taken only very small quantities of Danish butter, the average for the years 1934-1938 being 388,000 pounds, declining to 18,000 pounds in 1939.

Denmark is a relatively small producer and exporter of cheese. Recent estimates of cheese production are not available but in 1938,

production estimated at 79 million pounds was the largest since 1930. There has been an increase in cheese production in recent years, the average for the years 1934-1938 being 25 percent above the average for the 4 preceding years.

Denmark exports only about 15 percent as much cheese as the Netherlands, the largest surplus-producing country in Europe. New Zealand exports six times as much as Denmark and Canada four times as much.

DENMARK: Number of cattle and milk cows and production of butter and cheese, 1930-1939, and January-March 1940

Year	Number on farms in July		Production	
	Cattle and calves	Dairy cows and heifers	Butter	Cheese
	<u>Thousand</u>	<u>Thousand</u>	<u>Million pounds</u>	<u>Million pounds</u>
1930.....	3,057	1,608	418.9	52.7
1931.....	3,208	1,676	429.9	50.9
1932.....	3,237	1,739	414.5	52.2
1933.....	3,134	1,770	407.9	62.6
1934.....	3,062	1,718	403.4	60.6
1935.....	3,072	1,648	381.4	63.9
1936.....	3,107	1,610	396.6	73.2
1937.....	3,084	1,573	404.3	67.7
1938.....	3,186	1,599	417.6	78.7
1939.....	3,258	1,604	<u>a/</u> 356.0	<u>b/</u>
Jan.-Mar. 1939...	-	-	<u>c/</u> 114.8	<u>b/</u>
1940...	-	-	<u>c/</u> 118.7	<u>b/</u>

Compiled from Landsbrugraadets Meddeleser, May 1, 1940, and monthly report from the United States consulate at Copenhagen. a/ Preliminary - estimate for year based on reports of weekly production. b/ Not available. c/ Estimate for 3-month period based on reports of weekly production.

DENMARK: Exports of butter and cheese, 1930-1939, and January 1-April 7, 1939 and 1940

Year	Butter	Cheese	Year	Butter	Cheese
	<u>a/</u>	<u>b/</u>		<u>a/</u>	<u>b/</u>
	<u>Million pounds</u>	<u>Million pounds</u>		<u>Million pounds</u>	<u>Million pounds</u>
1930.....	373	13	1936.....	322	21
1931.....	378	9	1937.....	337	21
1932.....	348	15	1938.....	348	20
1933.....	332	22	1939.....	330	21
1934.....	330	14	Jan.1-Apr.7, 1939.	80	6
1935.....	305	15	1940.	76	5

Compiled from official sources. a/ Principal destination, United Kingdom. b/ Principal destination Germany.

WHEAT: Closing Saturday prices of July futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg <u>a/</u>		Liverpool <u>a/</u>		Buenos Aires <u>b/</u>	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High <u>c/</u>	79	111	75	106	82	107	67	84	63	-	<u>d/</u> 60	<u>d/</u> 80
Low <u>c/</u>	67	79	63	75	69	80	60	64	60	-	<u>d/</u> 60	<u>d/</u> 64
May 11	75	109	71	104	79	106	67	83	62	-	<u>e/</u> 60	75
18	74	79	70	75	79	80	65	64	61	-	<u>e/</u> 60	64
25	78	85	74	80	82	84	66	69	61	-	60	67
June 1	78	82	73	78	81	81	64	69	60	-	60	70

a/ Conversions at noon buying rate of exchange for 1939. 1940 Winnipeg converted at official rate, which is 90.909. b/ Prices are of day previous to other prices. c/ April 1 to June 1, 1940, and corresponding dates for 1939. d/ June and July futures. e/ June futures.

WHEAT: Weekly weighted average cash price at stated markets

Week ended	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk. N. Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle <u>a/</u>	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High <u>b/</u>	84	107	79	108	89	110	82	101	85	113	73	86
Low <u>b/</u>	71	82	69	82	77	86	74	77	75	88	68	73
May 11	79	104	75	105	83	108	78	97	83	111	71	86
18	80	94	76	89	86	99	78	86	81	102	71	77
25	83	84	78	83	89	88	81	80	85	90	72	73
June 1	84	82	79	82	89	86	82	77	85	88	73	-

a/ Weekly average of daily cash quotations, basis No. 1 sacked. b/ April 6 to June 1, 1940, and corresponding dates for 1939.

MEXICO: Wheat acreage, production, average yield per acre, and net imports, 1934-1940

Year of harvest	Acreage	Production	Average yield per acre	Net imports <u>a/</u>
	1,000 acres	1,000 bushels	Bushels	1,000 bushels
1934.....	1,224	10,950	8.9	8
1935.....	1,143	10,712	9.4	<u>b/</u> -3
1936.....	1,263	13,581	10.8	2
1937.....	1,202	10,587	8.8	182
1938.....	1,240	11,939	9.6	3,297
Average.....	1,214	11,554	9.5	697
1939.....	1,410	14,771	10.5	-
1940.....	-	<u>c/</u> 12,860	-	-

Compiled from official sources except as noted. a/ Reported by the International Institute of Agriculture for calendar years; flour included as wheat. b/ Net exports. c/ Preliminary estimate reported by Agricultural Attaché L. D. Mallory at Mexico City.

FEED GRAINS AND RYE: Weekly average price per bushel of corn, rye, oats, and barley at leading markets a/

Week ended	Corn				Rye		Oats		Barley	
	Chicago		Buenos Aires		Minneapolis		Chicago		Minneapolis	
	No. 3	Futures	Futures	No. 2	No. 3	No. 2	No. 3	No. 2	No. 3	No. 2
	Yellow						White			
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High b/.....	53	69	53	67	64	53	55	73	35	44
Low b/.....	47	57	47	56	46	31	42	48	30	38
			July	July	June	June				
May 4	51	68	51	66	49	35	46	69	33	42
11	52	69	52	67	49	34	48	68	35	42
18	52	67	51	62	48	32	51	57	33	39
25	52	-	51	63	48	32	55	49	35	39
June 1	52	67	51	62	49	31	55	48	35	38

a/ Cash prices are weighted averages of reported sales; future prices are simple averages of daily quotations. b/ For period January 1 to latest date shown.

FEED GRAINS: Movement from principal exporting countries

Commodity and country	Exports		Shipments,		Exports as far	
	for year		week ended a/		as reported	
	1937-38	1938-39	May 18	May 25	June 1	July 1
	1,000	1,000	1,000	1,000	1,000	1,000
BARLEY, EXPORTS: c/	bushels	bushels	bushels	bushels	bushels	bushels
United States.....	17,614	11,215	0	0	5	June 1
Canada.....	14,014	16,537				Apr. 30
Argentina.....	10,241	9,356				May 11
Danube & U.S.S.R.	19,983	26,005	0	0	0	June 1
Total.....	61,852	63,113				59,940
OATS, EXPORTS: c/						
United States.....	12,331	5,106	0	0	0	June 1
Canada.....	8,504	13,738				Apr. 30
Argentina.....	28,505	19,379	909	42	304	June 1
Danube & U.S.S.R.	160	30	0	0	0	June 1
Total.....	49,500	38,253				34,153
CORN, EXPORTS: d/						Oct. 1 to
United States.....	139,893	34,369	112	300	1,598	June 1
Danube & U.S.S.R.	9,790	19,629	171	360	69	June 1
Argentina.....	132,495	142,869	2,973	1,945	2,554	June 1
South Africa.....	23,949	25,991	643	0	0	June 1
Total.....	306,127	222,858				143,030
United States						
imports.....	1,519	442				Apr. 30

Compiled from official and trade sources. a/ The weeks shown in these columns are nearest to the date shown. b/ Preliminary. c/ Year beginning July 1. d/ Year beginning October 1.

EXCHANGE RATES: Average values in New York of specified currencies,
June 1, 1940, with comparisons a/

Country	Monetary unit	Year : 1939	Year : 1938	Year : 1939	Month : May	Month : April	Month : May	Week ended : May 18	Week ended : May 25	Week ended : June 1
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina...	Paper peso	30.85	33.12	31.21	29.77	29.77	29.77	29.77	29.77	29.77
Australia b/	Pound	353.38	395.77	372.89	260.90	260.80	256.41	256.16	253.56	
Canada b/	Dollar	96.02	99.18	99.62	84.24	80.97	81.11	78.54	78.38	
China.....	Shag. yuan	11.88	23.80	15.99	5.99	5.08	5.12	5.48	5.37	
Denmark.....	Krone	20.35	22.17	20.89	c/19.31	d/	d/	d/	d/	
England b/	Pound	443.54	496.73	468.12	352.59	327.36	321.87	321.56	318.25	
France.....	Franc	2.51	2.81	2.65	2.00	1.85	1.82	1.81	1.80	
Germany.....	Reichsmark	40.06	40.16	40.12	40.12	40.02	40.01	39.96	39.94	
Italy.....	Lira	5.20	5.26	5.26	5.05	5.04	5.04	5.04	5.04	
Japan.....	Yen	25.96	28.94	27.25	23.44	23.44	23.44	23.44	23.44	
Mexico.....	Peso	19.30	22.27	20.02	16.66	16.65	16.65	16.65	16.67	
Netherlands.	Guilder	55.34	55.35	57.60	53.08	e/53.08	d/	d/	d/	
Norway.....	Krone	23.27	24.96	23.52	22.71	d/	d/	d/	d/	
Sweden.....	Krona	23.99	25.60	24.11	23.69	23.79	23.78	23.54	23.79	
Switzerland.	Franc	22.52	22.84	22.48	22.42	22.25	21.78	22.39	22.39	
Federal Reserve Board. a/ Noon buying rates for cable transfers. b/ In addition to the free rate there is also a fixed official buying rate: Australia 322.80, Canada 90.91, and England 403.50 cents. c/ Rates not available April 9-30. d/ Not available. e/ Quotations not available May 10-31.										

WHEAT, INCLUDING FLOUR: shipments from principal exporting countries,
as given by current trade sources, 1937-38 to 1939-40

Country	Total shipments	Shipments 1940, week ended	Shipments July 1-June 1
	1937-38	1938-39	1938-39
	1,000	1,000	1,000
	bushels	bushels	bushels
North America a/	134,720	245,296	4,676
Canada b/	94,546	159,885	4,600
United States c/	83,589	94,157	89
Argentina.....	66,928	114,272	6,300
Australia.....	127,520	102,116	d/
Soviet Union.....	42,243	39,824	0
Danube & Bulgaria f/	37,232	52,848	976
British India a/	g/19,677	g/10,097	0
Total above h/	478,325	564,453	:
Total European a/	397,592	450,784	:
Total ex-European a/	99,400	146,760	:

Compiled from official and trade sources. a/ Broomhall's Corn Trade News.

b/ Accumulations made from official customs exports, supplemented in the current year, by weekly Broomhall's estimate for North America, less United States exports. c/ Official reports received from 16 principal ports only. d/ Not available. e/ Official exports through February only. f/ Black Sea shipments only. g/ Official. h/ Total includes North America and excludes Canada and the United States.

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